

Article - Alcoholic Beverages

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§2–203. IN EFFECT

(a) There is a Class 9 limited distillery license.

(b) The limited distillery license may be issued only to a holder of a:

(1) Class D beer, wine, and liquor license where sales for both on– and off–premises consumption are permitted for use on the premises for which the Class D license was issued; or

(2) Class B beer, wine, and liquor license where sales for both on– and off–premises consumption are permitted for use on the premises for which the Class B license was issued.

(c) A holder of the limited distillery license:

(1) may establish and operate a plant in the State for distilling, rectifying, and bottling brandy, rum, whiskey, alcohol, and neutral spirits if the holder:

(i) maintains only one brand at any one time for each product of brandy, rum, whiskey, alcohol, and neutral spirits that is distilled, rectified, and sold; and

(ii) does not manufacture or rectify product of any other brand for another entity;

(2) may acquire bulk alcoholic beverages from the holder of a distillery or rectifying license in the State or from the holder of a nonresident dealer’s permit;

(3) after acquiring an individual storage permit, may store on the licensed premises those products manufactured under the license;

(4) may sell and deliver those products manufactured under the license only to a licensed wholesaler in the State or person authorized to acquire distilled spirits in another state and not to a county dispensary;

(5) may sell the products manufactured under the license at retail in a manner consistent with the underlying Class D or Class B license;

(6) may conduct guided tours of that portion of the licensed premises used for the limited distillery operation; and

(7) may serve not more than three samples of products manufactured at the licensed premises, with each sample consisting of not more than one-half ounce from a single product, to persons who:

(i) have attained the legal drinking age;

(ii) participated in a guided tour; and

(iii) are present on that portion of the premises used for the limited distillery operation.

(d) A holder of the limited distillery license may not:

(1) apply for or possess a wholesaler's license;

(2) sell bottles of the products manufactured at the Class 9 limited distillery on that part of the premises used for the distillery operation;

(3) except as provided in subsection (e) of this section, distill, rectify, bottle, or sell more than 100,000 gallons of brandy, rum, whiskey, alcohol, and neutral spirits each calendar year;

(4) sell at retail on the premises of the Class D or Class B license, for on-premises or off-premises consumption, more than 31,000 gallons of the products manufactured under the license each calendar year; and

(5) own, operate, or be affiliated in any manner with another manufacturer.

(e) To distill more than the gallonage specified in subsection (d)(3) of this section, a holder of the limited distillery license shall divest itself of any Class D or Class B retail license and obtain a Class 1 distillery license.

(f) A holder of the limited distillery license shall abide by all trade practice restrictions applicable to distilleries.

(g) The annual license fee is \$500.

§2-203. // EFFECTIVE DECEMBER 31, 2022 PER CHAPTERS 359 AND 360 OF 2021 //

- (a) There is a Class 9 limited distillery license.
- (b) The limited distillery license may be issued only to a holder of a:
 - (1) Class D beer, wine, and liquor license where sales for both on- and off-premises consumption are permitted for use on the premises for which the Class D license was issued; or
 - (2) Class B beer, wine, and liquor license where sales for both on- and off-premises consumption are permitted for use on the premises for which the Class B license was issued.
- (c) A holder of the limited distillery license:
 - (1) may establish and operate a plant in the State for distilling, rectifying, and bottling brandy, rum, whiskey, alcohol, and neutral spirits if the holder:
 - (i) maintains only one brand at any one time for each product of brandy, rum, whiskey, alcohol, and neutral spirits that is distilled, rectified, and sold; and
 - (ii) does not manufacture or rectify product of any other brand for another entity;
 - (2) may acquire bulk alcoholic beverages from the holder of a distillery or rectifying license in the State or from the holder of a nonresident dealer's permit;
 - (3) after acquiring an individual storage permit, may store on the licensed premises those products manufactured under the license;
 - (4) may sell and deliver those products manufactured under the license only to a licensed wholesaler in the State or person authorized to acquire distilled spirits in another state and not to a county dispensary;
 - (5) may sell the products manufactured under the license at retail in a manner consistent with the underlying Class D or Class B license;
 - (6) may conduct guided tours of that portion of the licensed premises used for the limited distillery operation; and

(7) may serve not more than three samples of products manufactured at the licensed premises, with each sample consisting of not more than one-half ounce from a single product, to persons who:

(i) have attained the legal drinking age;

(ii) participated in a guided tour; and

(iii) are present on that portion of the premises used for the limited distillery operation.

(d) A holder of the limited distillery license may not:

(1) apply for or possess a wholesaler's license;

(2) sell bottles of the products manufactured at the Class 9 limited distillery on that part of the premises used for the distillery operation;

(3) except as provided in subsection (e) of this section, distill, rectify, bottle, or sell more than 100,000 gallons of brandy, rum, whiskey, alcohol, and neutral spirits each calendar year;

(4) sell at retail on the premises of the Class D or Class B license, for on-premises or off-premises consumption, more than 31,000 gallons of the products manufactured under the license each calendar year; and

(5) own, operate, or be affiliated in any manner with another manufacturer.

(e) To distill more than the gallonage specified in subsection (d)(3) of this section, a holder of the limited distillery license shall divest itself of any Class D or Class B retail license and obtain a Class 1 distillery license.

(f) A holder of the limited distillery license shall abide by all trade practice restrictions applicable to distilleries.

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